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C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 004666

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SUBJECT: POLITICAL PLAYERS PREPARE FOR BATTLE IN UTTAR
PRADESH

REF: NEW DELHI 4202

Classified By: A/PolCouns Jon P. Dorschner for reasons 1.4 (B,D)

11. (C) Summary: Although the Uttar Pradesh (UP) Legislative Election is not scheduled until March 2007, campaigning has begun in earnest and is already deeply bitter and personal. The enmity between Congress and the ruling Samajwadi Party (SP) is deep, with Chief Minister Mulayam Singh Yadav threatening to withdraw his support (41 MPs) from the UPA in New Delhi. Although that will reduce the UPA margin in Parliament, it is not enough to bring down the government. Congress has formulated a recovery plan that stresses using the charisma of the Gandhi family and clever caste manipulation to rebuild the moribund party. It has set its sights on gaining enough seats in the March 2007 elections to form the government in Lucknow in a coalition with the expected winner, former Chief Minister Mayawati and her Bahujan Samaj Party (BSP). As Congress and the SP wear each other out in bitter conflict, Mayawati is working to broaden her appeal beyond purely caste concerns and paint herself as the champion of the poor, regardless of religion and caste. End Summary.

Yadav Goes After Congress

12. (U) Although the Uttar Pradesh (UP) Legislative Assembly elections are not scheduled to take place until March 2007, the campaign has already begun and is quickly degenerating into a very public and increasingly bitter personality clash between the key players. The state's Chief Minister Mulayam Singh Yadav, has thrown down the gauntlet at the Congress Party, which he characterizes as the Gandhi family's personal fiefdom, asserting that "Congress has never believed in democracy and has always tried to suppress democratic institutions." In a vitriolic speech on July 2, Mulayam

claimed that his Samajwadi Party (SP) was "pondering" withdrawing support from the UPA in Parliament. If the SP pulled out, it would reduce the UPA from its current 335 seats to 297, still well ahead of the BJP/NDA's 171 seats. Yadav claimed that he had never trusted Congress, and had only supported the UPA to "take on the opportunistic communalist forces." Echoing Left party criticism of Congress performance, Yadav claiming that UPA mismanagement of the economy has resulted in "skyrocketing inflation."

And Congress Responds

13. (U) In response, Congress acknowledged that it was ready to take on the SP and would not "rule out" alliances with small parties opposed to Yadav's rule. On July 2, UP Congress President Salman Khurshid supported efforts by small parties to depose the SP from power, saying that Congress has already held joint rallies with other parties and was not averse to holding more such events, as UP needs a "concerted effort" to get rid of the SP. Khurshid confirmed that Congress will hold Congress Party workers' conventions throughout UP during July and that party President Sonia Gandhi and her son Rahul will address several of the meetings. In addition, Congress will, on July 15 and 16 release a "chargesheet" detailing the extent of SP misrule as well as a film entitled "What Have They Attempted - What Have They Achieved?"

While Mayawati Lies in Wait

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14. (U) Most observers expect the Bahujan Samaj Party (BSP) of former Chief Minister Mayawati to be returned to power in the election. As a mark of her increasing confidence, Mayawati confirmed on July 2 that her party would "go it alone" in upcoming elections in Uttaranchal, Punjab, and UP. Originally formed as a party for dalits (formerly untouchables), the BSP has been broadening its appeal, and Mayawati told supporters that she and her party was concerned about the poor "regardless of caste or religion," and will "support any party to work for the uplift of the poor." Mayawati expressed support for reservations based on economic income level rather than caste.

And Warns of UPA's Fall

15. (U) Mayawati also warned that the upcoming session of Parliament (scheduled to begin on July 24) could be chaotic and could lead to the downfall of the UPA government and a call for an early election. "Massive increases in the prices of essential commodities and the Office of Profit Bill (reftel) may put the UPA Government in a crisis," she warned. Mayawati claimed that many Congress and Left MPs could be disqualified for holding offices of profit and compel other UPA parties to withdraw their support.

And an Old War-horse Revives

16. (C) Former Prime Minister and UP Chief Minister VP Singh is also trying to stir the pot in UP, with the formation of a new political party called the "Jan Morcha." Although Singh suffers from severe kidney disease and must undergo dialysis on a regular basis, he is determined to keep fighting. Known as the person responsible for the extension of reservations in government employment and education beyond dalits to "other backward castes," Singh is widely acknowledged as the person most responsible for the caste-based politics that led to the creation of both the SP and BSP. Singh is attempting to take on the role of the Senior statesman that is somehow "above politics," and use his personal charisma to influence the electoral outcome in UP. Singh detests Mulayam Singh

Yadav and his supporters, however, and most expect him to work either openly or behind the scenes with Congress to unseat the SP government in Lucknow.

Congress Plotting Its Revival

¶17. (C) On June 28 Ashok Kumar Bajpai, the Vice President of the UP Congress outlined the party's current strategy and objectives in the state to Poloff. Bajpai, who is the leader of UP's Brahmin caste, confirmed that most party leaders and four of the state's nine Congress MPs belong to that caste. Bajpai emphasized the deep conflict between Congress and SP, calling Yadav "petty" for turning off the power in Rae Bareilly after Sonia Gandhi's landslide victory there. Such attacks on Sonia "will not help" he declared.

And Dismissing VP Singh

¶18. (C) Bajpai also claimed that VP Singh had formed his own political party only after Sonia Gandhi rejected his request to be re-admitted into Congress. According to Bajpai, Congress plans to nominate a new President of India in 2007 and VP Singh was hoping Sonia would name him to that post.

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Sonia purportedly informed VP Singh that he would "never" be allowed back into the party.

A Multi-faceted Strategy

¶19. (C) Bajpai acknowledged that Congress currently holds the loyalty of only four to six percent of the state's voters and has become a decadent and corrupt party "out of touch" with the common man. To return to power, Congress must build on its Brahmin base, convince Muslims (17 percent of the population) to return, and compete with Mayawati to attract the loyalty of the dalits. To do this, he said, Congress will have to re-emerge as a "mass-based party." The first pillar will be "mass mobilization," as Congress possesses the only "political icons" (Sonia, Rahul and Priyanka Gandhi) revered throughout the country, Congress plans to get them "out into the field." The problem, he noted is that Rahul Gandhi remains uncommitted to politics and is being told by his advisors to remain aloof until the Parliamentary elections of 2009. Should Congress ever recapture the state, he pointed out, the Chief Minister (who he claimed would be Salman Khurshid) would be a surrogate for the Gandhi family.

Both For and Against Caste Politics

¶10. (C) According to Bajpai, Congress plans to inaugurate four "yatras" (whirlwind tours) that would expose ordinary people to Rahul and Sonia Gandhi. The first is slated to kick-off in Allahabad on August 10, although the Gandhi family has not yet accepted the proposal. The Gandhis are expected to present a "new" Congress approach that emphasizes economic opportunity over caste politics and urges everyone in UP to work together to build the state's economy. Having said this, Bajpai contradicted himself by embracing "social re-engineering of vote banks," under which Congress will aim to select prominent caste leaders from the "right castes" in each locality.

Holding the Nuclear Option in Reserve

¶11. (C) Bajpai maintained that he had urged Sonia Gandhi to declare President's rule, depose Mulayam and take over the state government. In his view that would allow Congress to establish the rule of law, jail and disarm the criminal gangs that are terrorizing the state and present Congress as the viable option. Bajpai noted that Mrs. Gandhi rejected this

option at the behest of Ahmed Patel who advised her to be cautious and move slowly. Despite this setback, Bajpai was confident that Congress would increase its strength in the Legislative Assembly in the next election from its current 18 seats to between 70 to 80. Most of these new seats will be at the expense of the BJP and SP, which he expected to suffer huge losses. Bajpai opined that although Mayawati will win the largest number of seats, she will not win an absolute majority and not be able to form the government without including Congress. Bajpai also claimed that Congress has been energized by news that Mulayam Singh Yadav is dying of cancer and does not have long to live.

Comment - BSP and Congress Dance Around Each Other

¶12. (C) Bajpai was very restrained in his discussions of Mayawati and the BSP. Although he confirmed that BSP will "go it alone" in the election, he implied that the two

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parties were exploring post-election scenarios. Congress is eager to get back into power in UP, where they have been in the political wilderness and appear more than willing to cut a deal with the erratic and disreputable Mayawati. She is a clever politician, however, and will not commit herself to any arrangement until she sees the election outcome. Her repeated warnings of a UPA meltdown over the Offices of Profit issue is a not so subtle reminder to Congress that they need her much more than she needs them. If she must cut a deal with Congress to form the UP government, she will exact a high price and try to keep the party subservient. It will take a lot of time, effort and money for Congress to mount a credible campaign in UP, but the Gandhi family appears increasingly determined to take on Mulayam. This will divert party attention to domestic politics and away from economic and foreign policy initiatives.

¶13. (U) Visit New Delhi's Classified Website:
(<http://www.state.sgov.gov/p/sa/newdelhi/>)
MULFORD